



**Illinois Department of Financial  
and Professional Regulation**  
Division of Insurance

# NEWS

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## **Consumers File Insurance Complaints** *Insurance Division Releases Annual Report*

SPRINGFIELD – Illinois consumers filed fewer complaints regarding their insurance companies and HMOs in 2005, according to consumer complaint statistics released today by the Illinois Department of Financial and Professional Regulation (IDFPR), Division of Insurance.

Illinois HMOs experienced a decline in complaints in the year 2005, and reported 300,000 fewer enrolled Illinois residents. Even with 17% fewer Illinoisans being covered through HMO plans, health maintenance organizations experienced a decrease in the total complaints received directly at the health care plans by 25%, from 8,951 in 2004 to 6,666 in 2005. In comparison, the Division of Insurance closed 893 complaints regarding HMOs in 2005, a decrease of 18% from the previous year.

Improvements were reported for both consumers utilizing HMO products and providers rendering care on behalf of the HMO. Of the 1.6 million Illinois members enrolled in HMOs, approximately 16% are covered through Medicare, Medicaid or other federal programs. Federal laws generally pre-empt Illinois from handling complaint related issues for Medicare and Medicaid members; therefore, complaints related to those members are not reflected in the complaint statistics.

In addition to HMO complaints, other types of coverage have also experienced a decrease in 2005 from the prior year: individual life (-14%); individual accident and health (-14%); group credit accident and health (-29%); group accident and health (-15%); private passenger automobile (-13%). For the second year in a row, complaints regarding homeowner coverage decreased. Homeowner coverage complaints declined from 1,188 in 2004 to 876 in 2005, resulting in a 26% decrease.

In the past year there has been a rise in complaints regarding individual annuity coverage, from 108 complaints in 2004 to 119 in 2005, a 10% increase. Of the 119 individual annuity complaints, 59 of them (50%) were regarding policyholder service issues. Examples of

policyholder service issues include cash value and surrender charge disputes and premium notice or billing problems.

In 2005, the division investigated 9,755 written complaints against insurance companies, compared to 11,107 in 2004; 11,762 in 2003; and 12,019 in 2002. This resulted in a 12% decrease during the past year, and an overall decrease of 19% since 2002.

For a copy of this report or to locate the online consumer complaint form, visit the IDFPR Website at [www.idfpr.com](http://www.idfpr.com), where the link to the Division of Insurance web page can be accessed. Illinois consumers may also contact the Illinois Department of Financial and Professional Regulation, Division of Insurance, by calling the Consumer Assistance Hotline toll-free at 866-445-5364 or the Office of Consumer Health Insurance toll-free at 877-527-9431.